

# J.P.Morgan

**Worldwide Securities Services**

**Performance Measurement Report  
for  
Durham County Council Pension Fund**

*for period ending  
September 30, 2013*



# Contents

Page

*Benchmark Association Table* ..... 3

*Executive Summary of Total Plan* ..... 4

*Total Plan Performance Returns* ..... 5

*Portfolio Comparison* ..... 6

*Disclaimer* ..... 7

## **Benchmark Association Table**

<b>PORTFOLIO</b>	<b>INDEX</b>	<b>TARGET</b>	<b>WEIGHT %</b>
<b>Edinburgh Partners</b>	Zero Return - Historically MSCI AC World Index (Gross)	+3% pa	100.00
<b>Blackrock</b>	FTSE All Share (Gross)	+3% pa	100.00
<b>Blackrock Passive Equity</b>	FTSE-Ftse Aw Developed (Gross)	Not Applicable	100.00
<b>Alliance Bernstein</b>	GBP Libor (3 month)	+3% pa	100.00
<b>Royal London</b>	FTSE index Linked >5 years	+0.5% pa	100.00
<b>Barings</b>	GBP Libor (3 month)	+4% pa	100.00
<b>CBRE 1</b>	Headline RPI	+5% pa	100.00
<b>CBRE 2</b>	Headline RPI	+5% pa	100.00
<b>Total Plan Composite</b>	Manager Weighted Benchmark	Not Applicable	100.00

## Executive Summary of Total Plan as at 30/09/2013

### Overview

During the quarter the total market value of the Durham County Council Pension Plan increased by +£41.12m to £2,057.09m. There was a total outflow from the plan of -£826.99 in the quarter meaning the plan experienced net gains of +£41.12m.

The performance return for the Plan over the third quarter of 2013 was +2.04%, compared to the Plan benchmark return of +1.99. The Plan therefore outperformed the benchmark by +0.05%.

Equity markets were up this quarter with the FTSE All Share (+3% pa) rising +6.37% and the FTSE Aw Developed also up by +1.54% in Sterling terms. Index Linked bonds were up with the FTSE index linked over 5 years index (+0.5% pa) increasing by +0.65%.

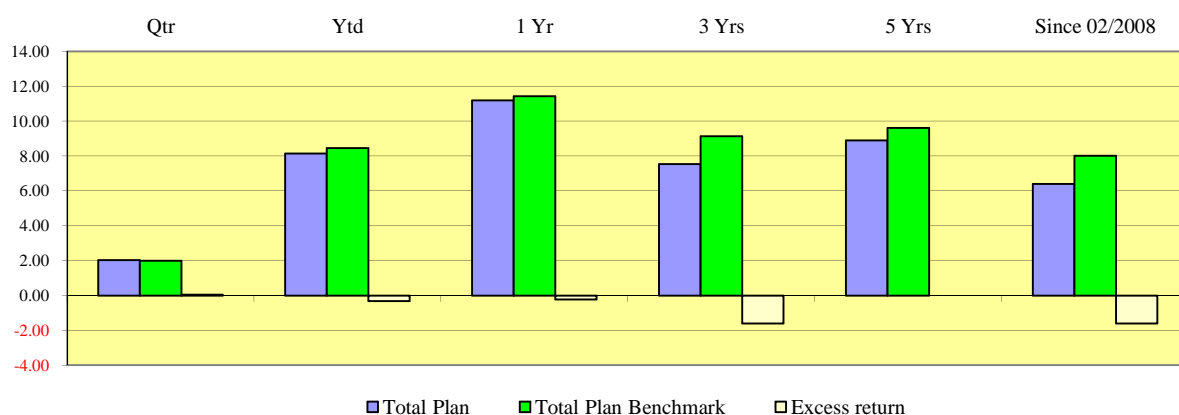
### Market Values

	In GBP mil's			
	Qtr 3 - 13	Qtr 2 - 13	Qtr 1 - 13	Qtr 4 - 12
<b>Total Plan</b>	<b>2,057.09</b>	<b>2,015.97</b>	<b>2,060.34</b>	<b>1,900.66</b>

### Performance

	Performance (%) *					
	Qtr	Ytd	1 Yr	3 Yrs	5 Yrs	Since 02/2008
<b>Total Plan</b>	2.04	8.15	11.20	7.5	8.9	6.40
Total Plan Benchmark	1.99	8.46	11.43	9.1	9.6	8.01
<i>Excess return</i>	<i>0.05</i>	<i>-0.31</i>	<i>-0.23</i>	<i>-1.60</i>		<i>-1.61</i>

### Total Plan Performance

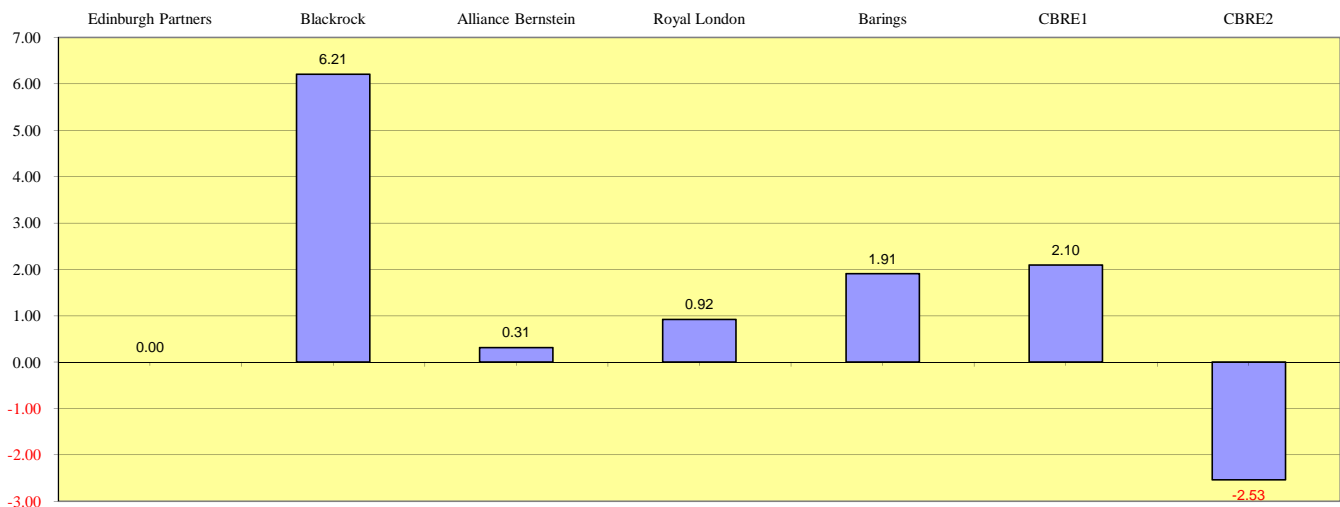


**Total Plan Performance Returns as at 30/09/13**

Currency GBP		Performance (%) *					
	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Total Plan</b>	<b>2057.1</b>	2.04	8.15	11.20	11.01	7.53	6.40
Total Plan Benchmark		1.99	8.46	11.43	11.53	9.13	8.01
<i>Excess return</i>		0.05	-0.31	-0.23	-0.52	-1.60	-1.61

	Mkt. Val. in Mil's	Qtr	Ytd	1 Year	2 Years	3 Years	Since 02/2008
<b>Edinburgh Partners</b>	<b>0.3</b>	0.00	0.00	0.00	3.69	-0.21	1.75
Zero Return - Historically MSCI AC World Index (Gross) +3% pa		0.00	0.00	0.00	7.29	4.24	5.84
<i>Excess return</i>		0.00	0.00	0.00	-3.60	-4.46	-4.09
<b>Blackrock</b>	<b>335.1</b>	6.21	12.87	15.80	17.02	9.60	6.89
FTSE All Share (Gross) +3% pa		6.37	17.12	22.50	21.78	13.54	9.63
<i>Excess return</i>		-0.17	-4.24	-6.70	-4.75	-3.94	-2.73
<b>Blackrock (Passive Equity)</b>	<b>492.0</b>	1.61	18.08	20.56	-	-	13.38
FTSE-Ftse Aw Developed (Gross)		1.54	17.85	20.42	-	-	13.42
<i>Excess return</i>		0.08	0.23	0.13	-	-	-0.04
<b>Alliance Bernstein</b>	<b>298.0</b>	0.31	0.26	2.40	5.29	3.95	4.43
GBP Libor +3% pa		0.87	2.64	3.54	3.76	3.78	4.56
<i>Excess return</i>		-0.56	-2.38	-1.14	1.53	0.17	-0.13
<b>Royal London</b>	<b>388.2</b>	0.92	1.48	6.83	6.28	8.69	7.82
FTSE index Linked >5 years +0.5% pa		0.65	1.90	7.16	6.35	8.96	7.73
<i>Excess return</i>		0.26	-0.43	-0.34	-0.07	-0.27	0.09
<b>Barings</b>	<b>402.8</b>	1.91	6.64	8.17	7.51	6.02	7.35
GBP Libor +4% pa		1.12	3.39	4.55	4.77	4.78	5.58
<i>Excess return</i>		0.79	3.25	3.62	2.74	1.23	1.78
<b>CBRE1</b>	<b>116.3</b>	2.10	7.91	8.48	8.07	8.38	-0.00
Headline RPI +5% pa		2.12	5.86	8.30	8.04	8.96	8.34
<i>Excess return</i>		-0.02	2.05	0.18	0.03	-0.58	-8.34
<b>CBRE2</b>	<b>24.5</b>	-2.53	4.42	9.24	14.21	5.43	3.52
Headline RPI +5% pa		2.12	5.86	8.30	8.04	8.96	8.34
<i>Excess return</i>		-4.65	-1.44	0.94	6.17	-3.53	-4.82

**Manager Quarterly Returns**

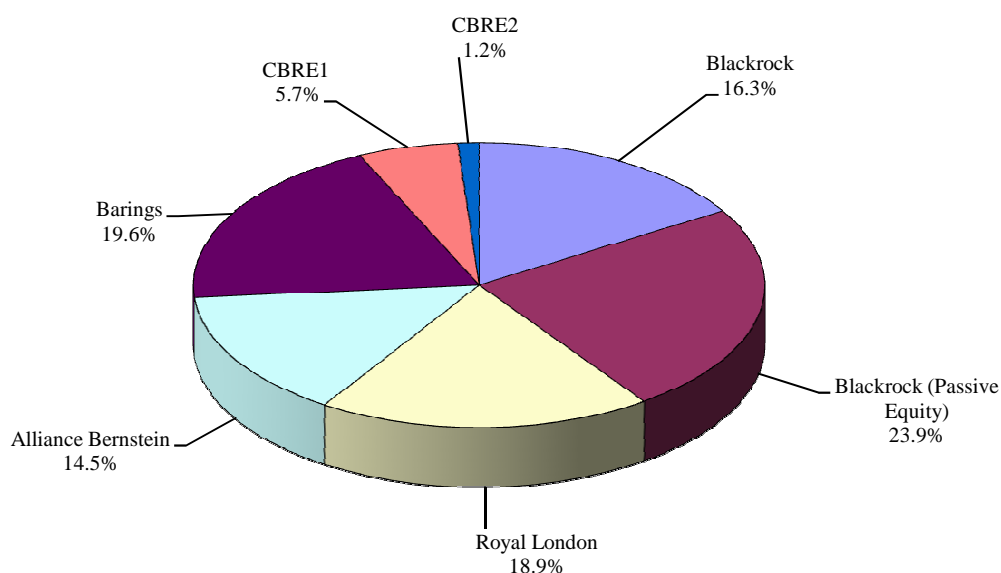


\*All Portfolio and Composite returns are Gross of Fees. For time periods in excess of 1 year the performance returns are annualised.

## Portfolio Comparison for Quarter 3, 2013

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>2,057,094,251</b>	<b>100.00%</b>	<b>2.04</b>	<b>1.99</b>	<b>0.05</b>	<b>2.04</b>
Edinburgh Partners	292,162	0.01%	0.00	0.00	0.00	(0.00)
Blackrock	335,051,400	16.29%	6.21	6.37	(0.17)	0.97
Blackrock (Passive Equity)	491,958,160	23.92%	1.61	1.54	0.08	0.39
Royal London	388,222,854	18.87%	0.92	0.65	0.26	0.18
Alliance Bernstein	297,960,082	14.48%	0.31	1.12	(0.80)	0.05
Barings	402,787,959	19.58%	1.91	1.12	0.79	0.37
CBRE1	116,324,410	5.65%	2.10	2.12	(0.02)	0.12
CBRE2	24,489,556	1.19%	(2.53)	2.12	(4.65)	(0.03)
JPMSL Transition Account	7,641	0.00%	0.00	-	-	(0.00)
Transition Account	25	0.00%	0.00	-	-	(0.00)

### Manager Allocation



## Portfolio Comparison for Year to Date, 2013

Portfolio Name	Current Market Value	Portfolio Weight	Portfolio Return (%)	Benchmark Return (%)	Excess Return (%)	Current Contribution to Return
<b>Total Plan</b>	<b>2,057,094,251</b>	<b>100.00%</b>	<b>8.15</b>	<b>8.46</b>	<b>(0.31)</b>	<b>8.15</b>
Edinburgh Partners	292,162	0.01%	0.00	0.00	0.00	0.00
Blackrock	335,051,400	16.29%	12.87	17.12	(4.24)	2.01
Blackrock (Passive Equity)	491,958,160	23.92%	18.08	17.85	-	3.96
Royal London	388,222,854	18.87%	1.48	1.90	(0.43)	0.30
Alliance Bernstein	297,960,082	14.48%	0.26	3.39	(3.13)	0.04
Barings	402,787,959	19.58%	6.64	3.39	3.25	1.32
CBRE1	116,324,410	5.65%	7.91	5.86	2.05	0.43
CBRE2	24,489,556	1.19%	4.42	5.86	(1.44)	0.08
JPMSL Transition Account	7,641	0.00%	0.00	-	-	(0.00)
Transition Account	25	0.00%	0.00	-	-	0.00

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